

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE APPLICATION OF THE MUHLENBERG	)	
COUNTY WATER DISTRICT, A WATER	)	
DISTRICT ORGANIZED PURSUANT TO	)	
KRS CHAPTER 74 OF THE KENTUCKY	)	CASE NO. 9019
REVISED STATUTES FOR A GENERAL	)	
ADJUSTMENT OF RATES AND REVISION	)	
OF RATES OF SAID DISTRICT	)	

INTERIM ORDER

On January 26, 1984, Muhlenberg County Water District ("Muhlenberg") filed an application with the Public Service Commission ("Commission") seeking approval of a purchased water adjustment clause and authority to adjust its rates in accordance with that clause (Case No. 6948-1, Purchased Water Adjustment of Muhlenberg County Water District). The application was filed as a result of increases in the wholesale water rate of Muhlenberg's supplier, Central City Municipal Water and Sewer System ("Central City"), which Muhlenberg requested to pass on to its customers.

Subsequently, on March 28, 1984, prior to a determination in Case No. 6948-1, Muhlenberg filed an application with the Commission seeking a general rate adjustment and approval of a demonstration project to correct excessive water loss problems.

Due to numerous complexities in Muhlenberg's operations, the Commission entered an Order in Case No. 6948-1 on April 27, 1984, approving the purchased water adjustment clause, denying the rate adjustment requested therein and consolidating that case with the instant case, 9019.

On September 26, 1984, the Commission entered a further Order adopting calendar year 1983 as the test year and finding that Muhlenberg's requested purchased water adjustment should be treated as an interim increase subject to refund for which a public hearing is not necessary. All information relative to the purchased water increase and the new test year has now been filed and the record is complete.

The Commission having reviewed the evidence of record and being advised, is of the opinion and finds that:

(1) Muhlenberg's supplier, Central City, increased the wholesale rate for water from \$.487 to \$.891 per 1,000 gallons effective September 1, 1983.

(2) The statements of water purchased and sold filed by Muhlenberg for the 12-month period ending December 31, 1983, show that its water loss is approximately 27 percent, which is in excess of the maximum of 15 percent allowed by the Commission.

(3) After adjusting for the excessive water loss, the total allowable increase in purchased water costs is \$139,008 resulting in a purchased water adjustment of \$.48 per 1,000 gallons.

(4) The purchased water adjustment of \$.48 per 1,000 gallons and the rates in Appendix A should be granted on an interim basis, subject to refund pending a final determination in this case.

(5) Muhlenberg should maintain separate records of all monies collected pursuant to the interim rates in sufficient detail that amounts and customers from whom collected may be readily determined.

IT IS THEREFORE ORDERED that the purchased water adjustment and the rates in Appendix A be and they hereby are approved, subject to refund, effective for services rendered on and after the date of this Order.

IT IS FURTHER ORDERED that Muhlenberg shall maintain records of the interim increase in accordance with Finding No. 5 herein.

IT IS FURTHER ORDERED that within 30 days from the date of this Order, Muhlenberg shall file its revised tariffs setting out the rates approved herein.

Done at Frankfort, Kentucky, this 26th day of October, 1984.

PUBLIC SERVICE COMMISSION

*Richard A. Henne*  
Chairman

*Robert L. Smith*  
Vice Chairman

*Don Spivey*  
Commissioner

ATTEST:

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Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE  
COMMISSION IN CASE NO. 9019 DATED OCTOBER 26,  
1984

The following rates are prescribed for customers of Muhlenberg Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

GALLONAGE BLOCK

RATE

First	2,000 gallons	\$6.96 Minimum
Next	8,000 gallons	3.18 per 1,000 gallons
Next	10,000 gallons	2.78 per 1,000 gallons
Next	30,000 gallons	2.28 per 1,000 gallons
Over	50,000 gallons	1.58 per 1,000 gallons

DRAKESBORO

First	1,000,000 gallons	\$1.13 per 1,000 gallons
Over	1,000,000 gallons	1.08 per 1,000 gallons